



GLORIOUS SUN ENTERPRISES LIMITED

(Incorporated in Bermuda with limited liability) (Stock Code: 393)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告 2025



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1. About this Report

Glorious Sun Enterprises Limited (“GSE”) (stock code: 393) was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in September 1996. Our major lines of business are financial investments, interior decoration and renovation, and export and retail of casual wear apparel. GSE and its subsidiaries (the “Group”) are guided by a mission in providing quality products and services with added value, as well as investing in high quality financial products to secure stable profits. We strive to satisfy the needs of customers, to provide opportunities for our staff to excel, to deliver reasonable and profitable returns to shareholders, and to grow and succeed with our partners. The Group’s ultimate goal is to repay society and create maximum value for the community.

The Group’s interior decoration and renovation business is operated by Shijiazhuang Changhong Building Decoration Engineering Company Limited (“Changhong”), while the export business is operated by Pacific Potential Trading Company Limited (“Pacific Potential Trading”) and Rand Design Limited. Jeanswest, the Group’s fashion brand, has retail outlets in Hong Kong, and operates overseas franchising businesses in South East Asia and other regions.



- *Changhong offered interior decoration and construction service to Huawei Intelligent Living Hall at Tianjin Binhai International Airport*

Key Disclosure Aspects

To ensure a concise, equitable and clear view of the Group’s environmental, social and governance (“ESG”) performance, this report only focuses on sustainability matters which are material to the Group and stresses the challenges and achievements during the reporting period.

GSE determined such material matters and scope of this report based on the following considerations:

- Disclosure frequency of industry peers;
- Stakeholders’ choice and feedback; and
- Potential impact of the matter on business.

Enquiry Guideline

This report is available in both Chinese and English and can be accessed on the website of the Group and the website of the Stock Exchange respectively.

Contact Information

If you have any comments or suggestions on this report, please send them to the address below:

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2. The Board's Responsibility and Governance Structure

The board of directors of GSE (the "Board") takes full responsibility for the sustainable development strategies, evaluating, reporting and determining the risk of environmental (including climate-related), social and governance ("ESG") matters of the Group, and also ensures that there is an appropriate and effective risk management and internal control system of ESG matters (including climate-related). The Group has set up an ESG team (the "ESG Team"), which comprises directors, senior management and employees' representatives. The ESG Team helps to assess, prioritise and provide suggestions on the effectiveness of the sustainable development strategies and policies of the Group, and to report to the Board regularly for reviewing on its operation and the progress of the relevant goals and targets of ESG matters (including climate-related).

Reporting Standards and Scope

This Environmental, Social and Governance Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code ("ESG Code") set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange. This report outlines the Group's ESG initiatives during the period from 1 January 2025 to 31 December 2025 and their progress. For the sake of brevity, "2024" and "2025" in this report stand for the year ended 31 December 2024 and the year ended 31 December 2025 respectively. The data of "2024" are presented for comparison and reference.

This report covers the Group's core business activities in Hong Kong and Chinese mainland, including financial investments, interior decoration and renovation, and export and retail of casual wear apparel. This report highlights the Group's sustainable development efforts in the following areas:

- Environmental aspect (climate change, emissions, use of resources, environmental and natural resources); and
- Social aspect (employment, health and safety, development and training, labour standards, supply chain management, product responsibility, anti-corruption and community investment).

The Group's financial investment business does not involve any industrial operations and is carried out in the Hong Kong office and online. Since the number of staff involved is insignificant when compared with the total number of staff in the Group with their business travels kept to a minimum, the emissions and office resource usage of this business are therefore immaterial.

Reporting Principles

This report follows the reporting principles in the ESG Code.

"Materiality": Significant stakeholders are identified, and stakeholder engagement and materiality assessment are included in the preparation of this report which are used as evidence for the determination of material ESG issues.

"Quantitative": All the data in this report come from relevant statistical reports and official corporate documents. Meanwhile, relevant standards and methodologies used in calculating emissions/energy consumption are reported.

"Balance": This report follows the principle of balance and objectively presents the ESG status of the Group.

"Consistency": This report adopts the same key performance indicator disclosure framework and calculation basis as those used in the ESG Report 2024. In order to optimise the scope and classification of greenhouse gas emissions disclosures under the new disclosure requirements for the year 2025, the Group has reclassified and restated the relevant 2024 emissions data so that they are consistent with the disclosure basis of the current year, thereby enhancing data comparability. The details and impacts of the relevant adjustments are explained in the corresponding sections.

A detailed ESG content index is provided at the end of this report for easy reference.

This report has been reviewed and approved by the Board on 26 March 2026.

3. Climate-related Disclosure

The Group recognises that global climate change is becoming increasingly severe and that its impacts on our business are gradually emerging. In the face of this major global issue, the Group is steadily establishing its climate management system to identify climate-related risks and opportunities that have a material impact on the Group, and to formulate appropriate strategies and plans for the climate-related issues identified, so as to mitigate potential impacts and capture potential opportunities arising from sustainable development trends. This section is prepared with reference to the ESG Code published by the Stock Exchange and is disclosed in line with the Group's current climate management system, with a view to enhancing transparency in the Group's climate-related strategies and plans.

Governance

The Group's climate governance structure is similar to the ESG governance structure described in the section "The Board's Responsibility and Governance Structure" with the Board bearing overall responsibility for climate-related matters and designating the ESG Team to oversee climate-related risks and opportunities. To ensure that the Board has the appropriate skills and competencies to oversee strategies addressing climate-related risks and opportunities, the Group works with external consultants to obtain the latest information on relevant standards and arranges for the responsible management team to participate in relevant training to enhance their oversight capabilities.

The Board receives information on climate-related risks and opportunities from the responsible management team on an annual basis and holds additional meetings where necessary to stay informed of material climate-related matters in a timely manner. Climate-related issues are also included in the Board's meeting agenda as appropriate, so that factors such as potential costs, operational impacts and compliance requirements arising from climate-related risks and opportunities are taken into account when considering matters relating to strategy, major transactions and risk management. By establishing key performance indicators and other relevant metrics, the Board and the ESG Team track the Group's ESG performance and thereby oversee the progress of targets set for identifying, monitoring and reviewing material climate-related risks and opportunities.

The Board is primarily responsible for reviewing identified ESG matters, including climate-related issues. The Group has designated the ESG Team to design and implement climate-related policies at the operational level and to assess the effectiveness of the Group's strategies and policies relating to sustainability and climate-related matters, while also maintaining data management systems for environmental and financial information to facilitate effective management. The ESG Team is also responsible for coordination and communication among departments, and, in the course of implementing, monitoring and reviewing internal policies, it promotes collaboration across different levels of the Group to drive the continuous improvement of the Group's climate governance.

With regard to climate-related matters, the Board has not yet formally incorporated climate-related performance indicators into the remuneration policies for Directors and senior management. At this stage, the Group is focusing its resources on establishing its climate management and risk identification foundations, including improving greenhouse gas emissions measurement and climate-related risk assessment processes. Once the relevant management systems and indicators have become more mature, the Board will, as appropriate, review whether to incorporate climate-related considerations into remuneration and incentive mechanisms, in order to strengthen management's oversight of and accountability for climate-related risks and opportunities.

Strategy

Currently, the Group has conducted a qualitative risk assessment, through which it has identified the climate-related risks faced in its operations and value chain. The Group has also classified the identified climate-related risks into short-term (0–3 years), medium-term (4–6 years), and long-term (7–9 years) categories based on time horizons, to align with the formulation of strategic planning and capital allocation plans. The identified climate-related risks mainly consist of three items, with details of the risks and potential impacts described as follows:

Physical Risks	Potential Impacts on Business Model/ Value Chain
<p>Acute Risk <i>Impact time horizon:</i> Short term to medium term</p> <p><i>Description:</i> Increased severity of extreme weather events such as tropical cyclones, extreme heat, and flooding</p> <p><i>Areas of risk concentration:</i> Operational facilities/staff quarters, on-site operations, logistics, and delivery in Chinese mainland and Hong Kong</p>	<ul style="list-style-type: none"> ● Operational continuity and delivery capabilities are impacted due to adjustments in construction/operational arrangements and extended delivery timelines. ● Elevated costs resulting from emergency response, repair and recovery efforts, and logistics disruptions. ● Increased personnel and asset risks due to health and safety concerns from high-temperature operations, as well as damage to facilities, tools/inventory, and vehicles.

Transition Risk	Potential Impacts on Business Model/ Value Chain
<p>Policy and Legal Risk <i>Impact time horizon:</i> Medium term to long term</p> <p><i>Description:</i> Requirements for emissions reporting and associated compliance obligations are intensifying</p> <p><i>Areas of risk concentration:</i> Primarily concentrated within the Group's operational activities and compliance management functions, with geographic relevance to the Group's key operating regions</p>	<ul style="list-style-type: none"> ● Increased compliance and disclosure costs arising from the need for additional professional support, systems, and process investments. ● Adjustments to internal controls and operational processes are required due to enhanced data management, disclosure frequency, and governance requirements. ● Adjustments to internal controls and operational processes may, over the long term, affect resource allocation and prioritisation of management efforts.

Transition Risk	Potential Impacts on Business Model/ Value Chain
<p>Market Risk</p> <p><i>Impact time horizon:</i> Medium term to long term</p> <p><i>Description:</i> Changing customer behaviour towards more sustainable products/services</p> <p><i>Areas of risk concentration:</i> Primarily concentrated among downstream customers and market demand, extending to product design and material sourcing</p>	<ul style="list-style-type: none"> ● Due to the need to enhance sustainable elements to maintain demand, product/service positioning and competitiveness may be impacted. ● Research and development/procurement, and product development workflows may need to be revised (including material selection, supply chain arrangements, and product iteration cycles). ● To more effectively monitor changes in demand and support product decision-making, customer feedback mechanisms may need to be strengthened.

At the strategic and decision-making level, the Group currently focuses on identifying and managing climate-related risks. Taking into account the nature of its business, operational scale, and available resources, the Group is progressively integrating climate-related considerations into daily operations and resource allocation decisions to enhance operational resilience and mitigate the potential impacts of identified risks on business operations and compliance.

With respect to the identified climate-related risks, the Group has implemented a range of mitigation and adaptation measures at the operational level to reduce the potential impacts of such risks on its day-to-day operations. These measures include enhancing contingency arrangements to address extreme weather events, thereby safeguarding business continuity and employee safety, as well as progressively integrating sustainability considerations into product design and material selection to better respond to evolving customer expectations.

In terms of resource allocation, the Group currently primarily supports climate-related risk management and compliance efforts through the deployment of internal personnel, coordination by management, and engagement of external professional consultants as needed. Looking ahead, the Group will gradually adjust its resource allocation based on the results of risk assessments and business requirements.

In 2025, the Group did not identify any climate-related opportunities that are reasonably expected to have a material impact on cash flows, financing channels, or cost of capital in the short, medium, or long term. The Group will continue to monitor climate trends, regulatory developments, and changes in market demand, and will make timely disclosures in the future should any opportunities with potential financial implications be identified.

Financial Impact

In 2025, the Group experienced actual financial impacts arising from certain identified climate-related risks. In terms of physical risks, severe extreme weather events led to temporary disruptions in some of the Group's operational activities and delays in product delivery due to transportation interruptions, resulting in additional operating costs. In terms of transition risks, in response to the Government's increasingly stringent emissions reporting and related compliance requirements, the Group engaged external professional consultants during the year to provide advisory support, leading to additional compliance-related expenses.

At this stage, the financial impact of the three climate-related risks identified in the table above on the Group is primarily reflected in operating costs and general and administrative expenses, and has not resulted in any material adjustments to the book value of the Group's assets or liabilities during the reporting period.

Looking ahead, as climate-related risks continue to evolve and regulatory requirements become increasingly stringent, the Group expects that in the short to medium term, additional costs may arise from compliance obligations, operational adjustments, and risk management initiatives. Such costs may also involve investments in products or services with sustainable development elements.

Scenario Analysis and Climate Resilience

Taking into account the key climate-related risks identified, the Group conducted a qualitative climate scenario analysis in 2025 in a manner commensurate with the nature of its business, operational scale, and available resources. The purpose of this analysis was to preliminarily assess the adaptability and overall resilience of the Group's current strategies and business model under different climate development pathways, considering potential variations, uncertainties, and emerging trends. The analysis also aimed to evaluate possible changes in risk exposure under various climate and policy scenarios, thereby providing a reference for future strategic reviews and resource allocation decisions.

Considering that the climate risks identified by the Group mainly fall under the two major categories of physical risks and transition risks, the Group has selected two representative climate scenarios to respectively assess the potential impacts on its operations and market environment under "high physical risk" and "high transition pressure" conditions. The scenario assumptions and climate development pathways were developed with reference to publicly available information and assessment reports published by the Intergovernmental Panel on Climate Change ("IPCC")¹. The analysis represents a qualitative assessment and does not incorporate quantitative models or financial simulation tools.

● High Emissions Scenario (RCP 8.5) – Physical Risk Assessment

The Group adopted the Representative Concentration Pathway (RCP²) RCP 8.5 scenario to simulate a development pathway under which global greenhouse gas emissions continue to rise and climate change intensifies. This scenario helps assess the Group's resilience in dealing with the physical impacts and uncertainties of climate change. The scenario represents a "worst-case" assumption, in which governments do not introduce additional or more stringent climate policies and regulations, nor implement mitigation measures. Under this scenario, global temperatures are projected to rise by approximately 3.0°C to 5.1°C above pre-industrial levels by or before year 2100. Under this context, the Group focused its assessment on acute physical risks identified in previous sections, including the potential impacts of extreme weather events, such as tropical cyclones, extreme heat, and flooding, on its operational facilities in Chinese mainland and Hong Kong, as well as on employee health and safety, logistics, and product delivery arrangements. The analysis indicates that under a high-emission and intensified climate impact environment, these risks may exert certain pressure on operational continuity, delivery efficiency, and cost control. This analysis assists the Group in enhancing preparedness for extreme scenarios and in formulating corresponding mitigation measures and contingency plans for the identified risks.

¹ The IPCC (Intergovernmental Panel on Climate Change) is a scientific body established by the United Nations responsible for assessing the scientific basis, impacts, and response strategies related to climate change.

² RCP stands for Representative Concentration Pathways, a series of greenhouse gas concentration scenarios adopted by the IPCC in its assessment reports to simulate climate change trends under different emission levels.

● Low Emissions Scenario (RCP 2.6) – Transition Risk Assessment

The Group also adopted the Representative Concentration Pathway (RCP) 2.6 scenario to simulate a development pathway in which the world actively pursues decarbonization and implements more stringent climate policies. This scenario helps the Group understand the potential impacts associated with the transition to a low-carbon economy. The scenario represents a “best-case” assumption, consistent with the Paris Agreement target of keeping global warming well below 2°C and striving to limit it to 1.5°C. It assumes that governments will tighten climate-related policies and regulations (including the introduction of carbon pricing), implement proactive and effective mitigation measures, and achieve a gradual reduction in global greenhouse gas emissions. Under this scenario, the Group assessed the policy and legal risk, and market risks identified in the previous sections, including the potential impacts of enhanced emissions disclosure and compliance requirements, increased demand for internal data management and process optimization, and shifts in customer preference toward more sustainable products. The analysis indicates that in an environment of heightened transition pressure, the Group may face challenges such as rising compliance costs and changes in market competition dynamics.

Based on the qualitative analysis results under the two scenarios described above, the Group considers that its existing operational arrangements and risk management measures are, in the short term, capable of addressing the key physical risks identified and that it demonstrates a certain degree of overall resilience. However, under medium-term to long-term transition scenarios, as climate-related disclosure standards, regulatory requirements, and market expectations continue to evolve, the Group’s future climate resilience will, to a certain extent, depend on its ability to continuously enhance its data management capabilities, internal governance processes, and resource allocation arrangements. If such capacity building fails to keep pace with changes in the external environment, this may increase compliance risks and exert additional pressure on operational adjustments. Accordingly, the Group will continue to monitor policy developments and market trends and will review its response strategies and resource allocation in a timely manner.

In conducting the above climate-related scenario analysis, the Group has taken into account a number of significant uncertainties, including the speed and magnitude of future climate change, the evolution of government policies and regulations, and changes in market and customer behaviour. In view of these uncertainties, the Group intends, as more data, capabilities, and resources become available in the future, to progressively deepen its assessment of climate resilience.

As at the end of the reporting period, the Group has not yet conducted quantitative assessments of climate-related risks and opportunities, nor has it formulated specific climate-related transition plans (such as long-term emission reduction pathways, transition timelines, or quantitative transition targets). Given that the Group is currently focusing its resources on establishing a reliable foundation for climate-related risk identification, management, and greenhouse gas emissions measurement, the Group will reassess the need for quantitative assessments and the formulation of climate-related transition plans in due course. As the Group did not make any disclosures regarding climate-related strategic actions or transition plans in previous reporting periods, there is no relevant progress data available for comparison with prior periods this year.

Meanwhile, the Group currently does not have sufficient data infrastructure, analytical tools, or internal capabilities to separately identify and quantify the specific impacts of climate-related risks on its financial position, financial performance, and cash flows without incurring undue costs or efforts. These impacts are also subject to multiple uncertainties, including future climate conditions, policy changes, and market responses, which may render estimated quantitative information less meaningful. Moving forward, the Group will continue to enhance its climate management and financial analysis capabilities to progressively improve the relevant disclosures.

Risk Management

At this stage, the Group has not yet established a structured system for identifying and assessing climate-related risks. Accordingly, going forward, the Group will first collect climate-related risk information from each department through offline questionnaires and will adopt a qualitative assessment approach using a high, medium and low rating scale to analyse the nature, likelihood, and severity of climate-related risks. Any risk that falls outside the Group's risk appetite will be classified as a material risk. The input data for identifying and assessing climate-related risks will mainly be drawn from operating records at each location, energy and resource consumption data, past experience with extreme weather events, and applicable regulatory requirements, covering the Group's major operating units in Chinese mainland and Hong Kong.

The Group has not yet prioritised climate-related risks relative to other types of risks at this moment. Going forward, the Group will determine the prioritisation of climate-related risks through management discussions, so as to address material risks as a priority and minimise the associated impacts. In terms of monitoring, and subject to resource availability, the Group will consider conducting quarterly monitoring for regular review to facilitate continuous improvement. Although the Group has not yet identified any climate-related opportunities, it intends to apply the same process in the future to identify, assess, prioritise, and monitor climate-related opportunities.

At present, the Group has conducted only a qualitative risk assessment and climate-related scenario analysis, identifying three material climate-related risks. These risks have not yet been formally integrated into the Group's overall risk management framework. Recognising the need for a more systematic approach to managing climate-related matters, the Group intends to formally incorporate the identified climate-related risks into its enterprise risk management framework in the future, with reporting to senior management, thereby optimising its overall climate-related risk management to also identify climate-related opportunities.

This year represents the Group's first establishment of a preliminary process for identifying, assessing, and conducting scenario analysis of climate-related risks. Compared to the previous reporting period, this process constitutes a new arrangement and remains at an early stage of development. Looking forward, the Group will continue to optimise the relevant processes based on business needs and available resources, progressively integrating them into its overall enterprise risk management system.

Metrics and Targets

The Group primarily tracks and monitors key metrics including electricity consumption, water consumption, and greenhouse gas emissions, with the latter covering direct (Scope 1), energy indirect (Scope 2), and other indirect (Scope 3) emissions. In 2025, the Group's Scope 1 greenhouse gas emissions primarily arose from gasoline consumption of vehicles used in business operations, as well as natural gas consumption in staff quarters and factories; Scope 2 emissions primarily resulted from electricity consumption to support the daily operations of business units across various locations; while Scope 3 emissions were derived from two main categories, namely category 3: Fuel- and energy-related activities (92.05 tonne of CO₂e) and category 5: waste generated in operations (28.10 tonne of CO₂e).

The following is the overview of the Group's greenhouse gas emissions in 2025:

Greenhouse Gas Emission (Tonne CO₂e)			
Scope	Sources of Emission Factors for 2025	2024 ¹	2025
Scope 1	Emission factors from the Cross-Sector Tools in the Greenhouse Gas Protocol	183.96	125.58
Scope 2 (By region)	IGES List of Grid Emission Factors	1,817.14	842.53
Scope 3	Please refer to "Scope 3 Reporting Boundaries"	5.56	120.15
Total emissions (Scope 1, 2 & 3)		2,006.66	1,088.26

Note:

1. The greenhouse gas emission figures for 2024 were extracted from the Group's 2024 ESG database and have been re-consolidated for each region's business operations based on the principle of consistency.

Measurement Methods	
Standards Used	<ul style="list-style-type: none"> ● "How to Prepare an Environmental, Social and Governance Report – Appendix 2: Reporting Guidance on Environmental Key Performance Indicators" ● "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" (2004) ● "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories" ● "The Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (2011)
Measurement Methods	<ul style="list-style-type: none"> ● Operational Control Approach, as the Group has direct control over these operations and exercises significant influence, making operational data more readily accessible
Operational Boundaries	<ul style="list-style-type: none"> ● Offices and retail stores in Hong Kong ● Offices and staff quarters at Chinese mainland Headquarters ● Offices and factories at Changhong

Scope 3 Reporting Boundaries		
Scope 3 Categories	Emission Factors Sources for 2025	Selection Criteria
Category 3: Fuel- and Energy-Related Activities	UK Government – Greenhouse gas reporting conversion factors 2025	Emissions from the extraction, production, and transportation of purchased fuels and electricity (Excluding Scope 1 and 2)
Category 5: Waste Generated in Operations	China Water Affairs Group Limited ESG Report 2025 Hong Kong Water Supplies Department Annual Report 2023/2024 Hong Kong Drainage Services Department Sustainability Report 2023–24 UK Government – Greenhouse gas reporting conversion factors 2025 U.S. Environment Protection Agency – Greenhouse Gas Inventory Emission Factors 2025	Disposal of waste generated from operations

The Group's greenhouse gas emissions in 2025 are listed by business region as follows:

Greenhouse Gas Emissions: Scope 1 (Tonne CO ₂ e)		
Region/Business	2024 ¹	2025 ²
Hong Kong ³	0	0
Chinese mainland Headquarters ⁴	27.53	17.22
Changhong ⁵	156.43	108.36
Total emissions	183.96	125.58

Notes:

1. The greenhouse gas emission figures for 2024 were extracted from the Group's 2024 ESG database and have been re-consolidated for each region's business operations based on the principle of consistency.
2. The methodology for calculating greenhouse gas emission data is based on the "How to Prepare an Environmental, Social and Governance Report – Appendix 2: Reporting Guidance on Environmental Key Performance Indicators" issued by the Stock Exchange, the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (2004), and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
3. The Group's operations in Hong Kong did not consume any petrol or natural gas and therefore did not generate any Scope 1 direct greenhouse gas emissions.
4. The emissions from the Group's Headquarters in Chinese mainland comprised solely the greenhouse gas emissions arising from petrol consumption by vehicles used in the apparel export and retail operations, as well as natural gas consumption in the staff quarters.
5. The emissions from the Group's operations in Changhong comprised only the greenhouse gas emissions arising from petrol consumption by vehicles used in the interior decoration and renovation business, as well as natural gas consumption at the factories.

Greenhouse Gas Emissions: Scope 2³ (Tonne CO₂e)		
Region/Business	2024 ¹	2025 ²
Hong Kong	17.92	16.19
Chinese mainland Headquarters	47.96	37.05
Changhong	1,751.26	789.29
Total emissions	1,817.14	842.53

Notes:

1. The greenhouse gas emission figures for 2024 were extracted from the Group's 2024 ESG database, and have been re-consolidated for of each region's business operations based on the principle of consistency.
2. The methodology for calculating greenhouse gas emission data is based on the "How to Prepare an Environmental, Social and Governance Report – Appendix 2: Reporting Guidance on Environmental Key Performance Indicators" issued by the Hong Kong Stock Exchange, "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard" (2004), and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories".
3. The Group's Scope 2 emissions only include energy indirect greenhouse gas emissions arising from the consumption of purchased electricity at its offices and retail stores in Hong Kong, the Headquarters offices and staff quarters in Chinese mainland, as well as the offices and factories at Changhong. The Group did not procure any renewable energy certificates nor enter into any specific green power purchase agreements during the reporting period, and therefore no related contractual documentation is required for disclosure.

Greenhouse Gas Emissions: Scope 3⁸ (Tonne CO₂e)		
Region/Business	2024 ¹	2025 ²
Hong Kong	0 ³	3.02 ⁴
Chinese mainland Headquarters	0.60 ⁵	20.91 ⁶
Changhong	4.96 ⁵	96.22 ⁷
Total emissions	5.56	120.15

Notes:

1. The greenhouse gas emission figures for 2024 were extracted from the Group's 2024 ESG database, and have been re-consolidated for each region's business operations based on the principle of consistency.
2. The methodology for calculating greenhouse gas emission data is based on "The Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (2011).
3. As certain retail stores in Hong Kong operate within department stores and/or shopping malls, the water supply and discharge at these locations are managed by the respective building management offices. Therefore, the relevant data could not be collected, and the greenhouse gas emissions arising from Category 5: Waste generated in operations (wastewater discharge) have not been disclosed.
4. The Group's emissions in Hong Kong for 2025 only included greenhouse gas emissions arising from Category 3: Fuel- and energy-related activities (2.08 tonnes of CO₂e) and Category 5: Waste generated in operations (paper waste: 0.94 tonnes of CO₂e).
5. The Group's Scope 3 emissions at the China headquarters and Changhong in 2024 only included greenhouse gas emissions arising from Category 5: Waste generated in operations (wastewater discharge).

6. The Group's emissions at Chinese mainland Headquarters in 2025 only included greenhouse gas emissions arising from Category 3: Fuel- and energy-related activities (7.08 tonnes of CO₂e) and Category 5: Waste generated in operations (13.83 tonnes of CO₂e).
7. The Group's emissions at Changhong in 2025 only included greenhouse gas emissions arising from Category 3: Fuel- and energy-related activities (82.90 tonnes of CO₂e) and Category 5: Waste generated in operations (13.32 tonnes of CO₂e).
8. Compared with the previous reporting period, the scope of the Group's Scope 3 emissions coverage was expanded during the reporting period to more comprehensively reflect the emissions across the value chain.

To ensure the transparency and reliability of the Group's disclosures, the Group has measured its greenhouse gas emissions in accordance with the international standards referenced in the "Measurement Methodology" table. Regarding Scope 3 greenhouse gas emissions, the Group plans to consider expanding the coverage of measured categories in the future when more resources and capabilities become available, with the aim of enhancing the disclosure of Scope 3 greenhouse gas emissions.

In 2025, the Group's total greenhouse gas emissions recorded a decrease, with both Scope 1 and Scope 2 emissions contributing to the overall reduction, while Scope 3 emissions increased. The rise in Scope 3 emissions was mainly due to an expansion in the coverage of measured categories during the year, which was extended to include emissions generated from waste disposal and upstream fuel- and energy-related activities. To further reduce its greenhouse gas emissions, the Group has formulated and implemented a range of energy- and water-saving, waste reduction and recycling, as well as awareness and education initiatives. Details can be found in the section "Environmental Protection".

The Group's management approach to climate-related matters does not include the adoption of internal carbon pricing or the integration of climate factors into its remuneration policy. The Group is still in the process of gradually establishing its climate management system, with current efforts primarily focused on identifying material risks and measuring greenhouse gas emissions. As such, climate-related matters and impacts have not yet been analysed using specific indicators. Going forward, the Group intends to conduct more in-depth analyses of climate-related issues through cross-industry metrics, including the amount and percentage of assets or business activities that are vulnerable to climate-related risks, as well as capital allocation.

At this stage, the Group is not yet in a position to quantify and disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical or transition risks without incurring undue cost or effort, nor to provide quantitative disclosure on assets or business activities associated with climate-related opportunities. In addition, the Group has not yet separately identified and tracked capital expenditures, financing, or investments specifically allocated to addressing climate-related risks and opportunities. As the Group continues to enhance its climate management and financial analysis capabilities, it will consider establishing relevant assessment and tracking mechanisms in the future to improve the transparency of such disclosures.

At this stage, the Group has not yet established specific quantitative targets for climate-related matters, including Group-level greenhouse gas emission targets. The Group is currently focusing its resources on building a reliable foundation for greenhouse gas emissions measurement and strengthening its climate-related risk management processes. Once the relevant data and management systems have become more mature, the Group will consider formulating appropriate climate-related targets and corresponding monitoring mechanisms to align with its long-term strategic development. Accordingly, the Group has not yet implemented any plans to use carbon credits to offset its greenhouse gas emissions. Nevertheless, the Group continues to monitor its performance in emissions and resource consumption, as well as its progress toward achieving various targets, through the preparation of its annual reports. For details on the Group's emissions and resource consumption targets, please refer to the section "Environmental Protection."

4. Environmental Protection

Delivering on a mission of sustainable development, the Group adheres to all applicable laws and regulations on environmental protection. Internal guidelines are also in place to foster interest in environmental issues among our staff. By promoting green awareness and responsibility, we have created a positive milieu for the entire workforce to care about the environment and engage in green initiatives.

Emission Control Targets and Steps Taken by Interior Decoration and Renovation Business

Changhong has set a target of reduction of greenhouse gas emission and waste: to control carbon emission at 30kg per RMB10,000 revenue, and to make the best use of waste and reduce the amount of waste generated. To meet these targets, the Group has taken the following steps:

- Provide training and promotion among staff to raise staff awareness of energy saving and waste reduction.
- Promote the use of green, recyclable and renewable materials.
- Arrange production in an efficient manner, optimise construction process to increase production efficiency.
- Promote green travel by reducing the use of sedans and motorcycles.
- Strengthen inspection and acceptance procedures during the construction process to reduce and avoid resource waste caused by rework or rectification.

Using High Technology to Foster Conservation in Interior Decoration and Renovation Business

Changhong employs advanced, cost effective and environmental friendly technologies that comply with the industrial policies in Chinese mainland. Renovation and packaging require various materials including composite boards, carton boxes, timbers, plastics and metals. In 2025, Changhong used 25,058 paper carton boxes (2024: 28,682 paper carton boxes), 16,921 rolls of plastic tape (2024: 19,800 rolls) and 300 paper pallets (2024: 840 paper pallets) and 53,444 meter of paper edge protectors (2024: 136,686 meter).

Changhong puts a priority in using green materials, reducing the emission of hazardous gas, the relevant hazardous waste decreased relatively this year. In addition, Changhong also promotes prefabricated construction and green construction methods.

At Changhong, the exhaust fumes resulted from spray paint and paint drying in the industrial park were collected and treated with pulse filter cartridge dust collector, two-tier filtering, an activated charcoal absorber (concentrated) and desorption-catalytic combustion equipment system. The fumes, after processing, met the emission safety standard and kept the impact of volatile organic compounds (VOCs) to the surroundings to the minimum.

In accordance with the national regulatory requirements for the formulation of hazardous waste management plans, paint residues left by the spray paint process was collected by waste management plant which was professional and qualified for treating hazardous waste in Chinese mainland.

Amount of Hazardous Waste Generated from the Interior Decoration and Renovation Business (Tonne)		
Year	2024	2025
Hazardous Waste		
Paint residues	0.93	0.5
Waste paint buckets	0.95	0.54
Spent activated carbon	0.92	0.92

Emission Control Targets and Steps Taken by Offices, Retail Stores and Staff Quarters

The Group's apparel retail business and financial investment business did not generate any material hazardous waste and did not generate any material non-hazardous waste. The Group set a target of reducing greenhouse gas emission and waste for the offices and staff quarters in 2025: to maintain carbon emission at a level no higher than the previous year.

Electricity Consumption

The Group set a target of reducing electricity consumption for the offices, retail stores, staff quarters and interior decoration and renovation business in 2025: to maintain electricity consumption at a level no higher than the previous year, The Group took the following steps to achieve the target:

- Energy saving LED tubes were installed in our offices, retail stores and staff quarters. LED lighting had many advantages, such as operating on low-voltage power, low energy consumption, high adaptability and stability, quick response time, non-polluting and a range of coloured lights.
- Smart environment control system was implemented in Changhong headquarters office area, Demo Centre and Changhong Startup Space to monitor and remotely control the lighting system and energy usage. The luminance of the lighting system could be adjusted according to the environment to prevent energy wastage.
- At Changhong's "Shijiazhuang Shangde" and "Xinhua Road" office areas, a timer was set to turn the air conditioning on and off. This ensured that unused equipment was powered off promptly after office hours, thereby reduced unnecessary operation.
- The central air-conditioning of Changhong Industrial Park was adjusted to suitable temperature to save energy.
- Internal guidelines were disseminated to remind staff to turn off lights and unplug electronic devices before they left.

Electricity Consumption (kWh)		
Region/Business \ Year	2024	2025
Hong Kong	45,938	41,649
Chinese mainland Headquarters	71,350	64,137
Changhong	1,555,231	1,366,260
Total	1,672,519	1,472,046
Total Electricity Consumption Intensity^{note} (kWh/number of staff)	4,049.68	3,698.61

Note: The total electricity consumption intensity is calculated by dividing the total electricity consumption by the total number of staff of the Group in Hong Kong, the Chinese mainland Headquarters, and Changhong: 413 staff in 2024 and 398 staff in 2025.

Water Consumption

In 2025, the Group did not face any issues in sourcing water fit for its purpose.

The Group set a target of water consumption for the offices, staff quarters and interior design and renovation business in 2025: to maintain water consumption at a level no higher than the previous year. The Group implemented the following measures/policies to conserve water:

- Adopt water-saving production methods and machinery.
- Inspect concealed water pipes regularly for preventing leakage or damage. Inspect internal water supply systems and promptly repair any malfunctioning water tanks, faucets and other water supply facilities.
- Set flushing and washing devices to the lowest water level to avoid fresh water overflow during operation.
- Shut off water supply systems during the night and on holidays.
- Put up posters to remind staff to conserve water.
- Changhong has installed water meters in areas with high water consumption to measure and monitor changes in water usage in a timely manner.

Water Consumption (Tonne)		
Region/Business* \ Year	2024	2025
Chinese mainland Headquarters	1,958	2,135
Changhong	16,141	19,693
Total	18,099	21,828
Total Water Consumption Intensity^{note} (Tonne/number of staff)	49.86	62.90

* Some retail stores in Hong Kong operated in department stores and/or shopping malls where water supply and discharge were controlled by the building management of those premises, and the commercial building where the Hong Kong headquarters office is located does not have separate water meters for each floor, so the retrieval of the relevant data was not feasible.

Note: The total water consumption intensity is calculated by dividing the total water consumption by the total number of staff of the Group in the Chinese mainland Headquarters and Changhong: 363 staff in 2024 and 347 staff in 2025.

Due to a water leak in the underground piping at Changhong's processing plant, Changhong's water consumption increased in 2025.

Use of Natural Gas

The Group's use of natural gas at the Chinese mainland Headquarters and Changhong is as follows: at the Chinese mainland Headquarters' staff quarters, natural gas is mainly used by staff for daily cooking and bathing; at Changhong, natural gas is primarily used for production purposes in the factory.

Natural Gas Consumption (cubic meter)		
Region/Business* \ Year	2024	2025
Chinese mainland Headquarters	128	80
Changhong	35,994	23,007
Total	36,122	23,087
Total Natural Gas Intensity^{note} (cubic meter/number of staff)	99.51	66.53

* Use of natural gas was not applicable in Hong Kong.

Note: The total natural gas consumption intensity is calculated by dividing the total natural gas consumption by the total number of staff of the Group in the Chinese mainland Headquarters and Changhong: 363 staff in 2024 and 347 staff in 2025.

Use of Vehicle Petrol Gas

The use of vehicles at the Group's Chinese mainland Headquarters and Changhong mainly serves to provide transportation for staff when carrying out work-related duties outside the workplace.

Vehicle Petrol Gas Consumption (litre)		
Region/Business* \ Year	2024	2025
Chinese mainland Headquarters	8,952	6,395
Changhong	25,578	24,335
Total	34,530	30,730
Total Vehicle Petrol Gas Intensity^{note} (litre/number of staff)	95.12	88.56

* Use of vehicle petrol gas mainly concentrated in Chinese mainland, and was not applicable in Hong Kong.

Note: The total vehicle petrol gas consumption intensity is calculated by dividing the total vehicle petrol gas consumption by the total number of staff of the Group in the Chinese mainland Headquarters and Changhong: 363 staff in 2024 and 347 staff in 2025.

Use of Paper and Rubbish Bag Offices

The Group set forth a paperless office policy. Staff members were requested to minimise paper reports, communicate by email, sign out documents with e-signatures and use recycled paper. We also introduced guidelines on reducing paper consumption to help our staff use less paper. Meanwhile, desk-side rubbish bins were allocated and rubbish bags were recycled and reused.

Paper Consumption (sheet)		
Region/Business \ Year	2024	2025
Hong Kong	25,000	39,298
Chinese mainland Headquarters	606,519	548,093
Changhong	328,413	261,062
Total	959,932	848,453

Sorting Waste to Reduce Pollution

The Group implemented waste sorting in the Chinese mainland Headquarters. Four types of recycle bins for “food waste”, “recyclables”, “other garbage” and “hazardous waste” were set up in the site to promote resource recycling and to reduce environmental pollution.

Using High Technology to Foster Conservation in Interior Decoration and Renovation Business

Changhong integrated Building Information Modelling, cloud computing for commercial shops and “big data” to achieve informatization and intelligence of commercial shop construction management. With such advanced construction technology, efficiency was enhanced, cost and project duration were compressed, thus achieving environmental benefits.

Measures for retail and export operations

As an apparel retailer, the use of plastic bags as shopping bags or packaging materials was inevitable. Since the launch of Environmental Levy Scheme on Plastic Shopping Bags by the Hong Kong Government, the Group reduced the use of plastic bags. The environmental awareness of local consumers is continuously increasing with many bringing their own shopping bags. Additionally, frontline staff often remind customers to bring their own shopping bags and therefore the Group’s Jeanswest business used fewer plastic bags. In 2025, Jeanswest used 3,091 plastic bags (2024: 4,288 plastic bags) and 2,408 carton boxes (2024: 2,537 carton boxes).

For the export business, the Group reduced the use of carton boxes and paper pallets in order to reduce the impact on the environment. The Group used 3,000 carton boxes (2024: 6,500 carton boxes) and 400 paper pallets (2024: 1,550 paper pallets) in 2025. As Pacific Potential’s export business to Australia ceased shipments in April 2025, the remaining cardboard boxes were kept in the warehouse for future use.

For the apparel retail business, Jeanswest employed logistic suppliers who used Euro 5 Standard vehicles. Euro 5 Standard vehicles emitted less greenhouse gas than other vehicles for similar use. Moreover, Jeanswest was committed to meeting a target of minimising the frequency of product transfer to reduce the emission of greenhouse gas – each item sold was limited to 2 transfers of locations. The target has been met.

Promoting Vegetarian Diet to Reduce Polluting Emissions

A low-meat or vegetarian diet, given its contribution to saving earth resources for animal husbandry, was a practical step for low carbon living. The Group made keen efforts to promote a healthy vegetarian diet. To encourage staff to eat less meat, vegetarian lunch option was offered to the staff in Huizhou and Hong Kong. Not only did this initiative raise awareness for healthy eating, it also played a part in global carbon reduction.



- Mr. Yeung Chun Fan, the Group’s Vice-chairman and General Manager, supported the Vegetarian Promotion Day to advocate the benefits of a plant-based diet to the public

5. Employment and Labour Practices

Staff were the cornerstone for the Group's business development and growth. Treasuring this most valuable asset, we attached the greatest importance to provide a fair, safe, healthy and happy working environment for our staff to support their personal and career advancement.

As at 31 December 2025, the Group employed 398 people in Chinese mainland and Hong Kong. The group-wide personnel distribution was as follows:

Headcount		
As at 31st December	2024	2025
Region		
Hong Kong	50	51
Chinese mainland	363	347
Total	413	398

Headcount by Gender						
As at 31st December	2024			2025		
Gender and Gender Ratio	Male	Female	Gender Ratio (M:F)	Male	Female	Gender Ratio (M:F)
Region						
Hong Kong	19	31	0.61:1	19	32	0.59:1
Chinese mainland	186	177	1.05:1	176	171	1.03:1
Total	205	208	0.99:1	195	203	0.96:1

Headcount by Age Group														
As at 31st December	2024							2025						
Age Group	18-20	21-30	31-40	41-50	51-60	61-65	66 or above	18-20	21-30	31-40	41-50	51-60	61-65	66 or above
Region														
Hong Kong	1	5	5	18	10	2	9	0	5	4	16	15	2	9
Chinese mainland	0	71	158	97	33	4	0	0	58	138	108	38	3	2
Total	1	76	163	115	43	6	9	0	63	142	124	53	5	11

Headcount by Employment Type					
As at 31st December		2024		2025	
Region	Employment Type	Part-time*	Monthly-paid	Part-time*	Monthly-paid
	Hong Kong	7	43	9	42
	Chinese mainland	0	363	0	347
	Total	7	406	9	389

* Part-time employees include temporary workers/hourly-rate workers/daily-rate workers

Employee Turnover Rate by Gender					
As at 31st December		2024		2025	
Region	Gender	Male	Female	Male	Female
	Hong Kong	10.00%	23.33%	0.00%	34.92%
	Chinese mainland	16.38%	11.41%	14.92%	7.47%
	Overall	15.80%	13.08%	13.50%	11.68%

Employee Turnover Rate by Age Group															
As at 31st December		2024						2025							
Region	Age Group	18-20	21-30	31-40	41-50	51-60	61-65	66 or above	18-20	21-30	31-40	41-50	51-60	61-65	66 or above
	Hong Kong	75.00%	36.36%	18.18%	5.56%	20.00%	0.00%	0.00%	Not Applicable	72.73%	44.44%	17.65%	8.00%	0.00%	0.00%
	Chinese mainland	Not Applicable	27.43%	10.84%	5.18%	12.50%	22.22%	Not Applicable	Not Applicable	22.22%	11.03%	6.33%	10.00%	28.57%	0.00%
	Overall	75.00%	27.96%	11.08%	5.24%	14.29%	16.67%	0.00%	Not Applicable	26.89%	12.04%	7.84%	9.52%	18.18%	0.00%

Working Environment and Labour Standards

The Group, as a responsible employer, laid down clearly-defined employment policies and guidelines in compliance with relevant state and regional labour laws to ensure that employees enjoy a fair and highly transparent working environment.

In terms of staff benefits, the Group offered competitive remuneration to attract and retain talents. We provided comprehensive staff benefits to all monthly-paid employees, including labour insurance/social insurance, housing provident fund (applicable to Chinese mainland) pursuant to the law. The Group also provided personal accident insurance for staff to afford adequate cover for personal safety. In addition, the Group provided medical benefits, life insurance, mandatory provident fund and provident fund scheme (Hong Kong only). Employees also enjoyed annual leave, sick leave, marriage leave, maternity leave, paternity leave (applicable to Hong Kong), caregiver leave (applicable to Chinese mainland), bereavement leave and injury leave as well as staff shopping benefits and continuing education fund.

All staff members were treated on equal terms, fostering a work environment that is inclusive and respectful of race, ethnicity, gender, faith, religion, age, disability, sexual orientation and viewpoint. The employees are rewarded according to their performance. It is the policy of the Group to provide equal opportunities to all employees in recruitment, remuneration, training and development, promotion and other terms of employment. There was an appraisal system under which work performance was assessed against the Group's goals and expectations to recognise every employee's efforts and contributions, and to work together for future improvement.

The Group strictly abided by our code of employment to prevent child labour and forced labour. In the reporting period, no business unit was involved in any risks associated with child labour and forced labour, and no related case had been reported. Therefore, no disclosure was made regarding the action taken due to violations of any labour rules and regulations by the Group.

Staff Health and Safety

The Group always put staff occupational safety first. Committed to strict compliance with all occupational health and safety laws and regulations, we strived to create a safe and sound working environment for our workforce. We set up an "Office Environment Improvement and Occupational Safety Group" in Hong Kong, which was well represented by various business units. The group was responsible for reviewing and promoting office environment improvement measures, work safety and health policies and procedures, to ensure compliance with relevant laws. The Group also put in place precautionary and remedial measures, if necessary, to minimise potential hazards and accidents.

Fire drills and briefing sessions are organised annually for the staff so that they can get familiarised with fire escape routes and the latest information. In 2025, the Group organised a series of health promotion activities on various themes. At the Chinese mainland Headquarters, an annual health checkup was organised. At the Hong Kong headquarters, “Relax & Stretch: Office Pain Relief Exercise Class” was organized. A Hong Kong registered physiotherapist was invited to share insights on common office-related pains to the staff. The class aimed to help staff address the challenges of prolonged sitting, promote a healthy work-life balance, and enhance overall wellbeing. In addition, a “Mindful Breathing Meditation” course was held to guide staff in observing their breath through meditation practice, helping them improve focus, emotional regulation, and inner balance amid the fast pace of work and life. A “Monthly Training Bulletin” are disseminated to share free seminars organised by various institutions, covering topics such as mental health, office exercise tips, health/wellness information, allowing staff to participate based on their interests.



● An annual health checkup was held at the Chinese mainland Headquarters



● “Relax & Stretch: Office Pain Relief Exercise Class”



● “Mindful Breathing Meditation” course

During the reporting period, no staff was reported to have work injury (2024: 0 staff member) and a total of 0 working day was lost (2024: 0 days). In addition, no work-related fatal injury was reported (2024: 0 staff member).

Number and Percentage of Work-related Fatalities						
Year	2023		2024		2025	
Number and Percentage of Accident	Number of Accident	Percentage	Number of Accident	Percentage	Number of Accident	Percentage
Region/Business						
Hong Kong	0	0%	0	0%	0	0%
Chinese mainland	0	0%	0	0%	0	0%
Changhong	1	0.25%	0	0%	0	0%

Staff Development and Training

To drive business growth and cultivate talent, the Group run a full range of training activities with specific targets and plans. These programmes enabled our staff to upgrade knowledge and build capacity, so as to provide crucial support for enhancing corporate efficiency and realising our corporate goals.

Group-wide Training Programme (Comprising Training Courses for Various Grades)

The Group invested significantly in staff training, providing an extensive range of courses for staff in different posts to support our business growth. These included new staff induction training, professional training, leadership training and customised training, etc.

Staff are required to complete a specified number of training hours each year. To ensure the right training was provided, employees' training needs would be reviewed by department heads during the annual performance appraisal.

The Group has consistently advocated continuous professional development for staff while working, encouraging staff to obtain industry-recognised professional qualifications. Accordingly, the Group has established continuing education subsidy schemes at both its Hong Kong Headquarters and Chinese mainland Headquarters to support staff in pursuing targeted learning aligned with business development needs and enhancing their professional skills, thereby continuously building and upgrading a pool of high-quality talent.

At the Hong Kong Headquarters, two subsidy programmes – an Education Fund and an External Training Fund – have been established. The former covers professional certificate/degree programme fees and professional examination costs, while the latter supports general short-term courses and seminars to alleviate staff's financial burden for self-enhancement. At the Chinese mainland Headquarters, targeted subsidies assist staff in obtaining vocational qualifications recognised by the country or relevant industry bodies, including certifications such as internal auditor for management systems, logistics specialist, carbon emissions management specialist, and labour relations coordinator, spanning business areas such as quality management, supply chain, environmental sustainability, and human resources management. It is the Group's vision that staff's personal growth would align with the Group's long-term development direction, thereby advancing together.

In 2025, the Group held core training programmes for various grades of staff and induction course for new staff. A seminar on “Current Global and Chinese mainland Economic Trends and Policies” was held to share insights on international and domestic development to staff. Additionally, “iMBA” learning organisation programme was held to widen staff members’ perspectives and to promote mutual learning experiences, strengthening team management.

Given the growing significance of Artificial Intelligence (“AI”), the Group has conducted specialised AI workshops and seminars on the latest AI technologies, methods of improving work efficiency through AI, the advantages and disadvantages of AI. Courses included “Innovative Fashion Exploration through Interdisciplinary Integration in the Era of Digital Intelligence”, “AI Empowering Business Development” and “AI-Enabled Data Statistics and Analysis”, with instructors invited to illustrate practical applications of AI in enterprise. Meanwhile, a series of immersive training programs, including “Immersive Sustainable Development: Interstellar Expedition” and “Fly to Collaborate – Enhancing Team Effectiveness” were held. Through scenario-based simulations, staff took on different roles and worked together to complete various tasks, further strengthening their creativity and teamwork skills.



● A seminar on “Current Global and Chinese mainland Economic Trends and Policies”



● “AI Empowering Business Development”



● “Immersive Sustainable Development: Interstellar Expedition” training course



● “Fly to Collaborate – Enhancing Team Effectiveness” training course

The Chinese mainland Headquarters also organised a series of apparel industry-related training courses. These included “Brand Apparel Product Supply Chain in the Era of Intelligence”, “Risk Management and Prevention for Apparel Enterprises” and “Legal Risks in ODM and OEM Models”. In addition, national taxation experts and senior accountants were invited to deliver a seminar on “Implementation Practices and Risk Control Pathways under the New Value-Added Tax (VAT) Policies”, analysing the impacts of the VAT law on enterprises.



● Seminar on “Implementation Practices and Risk Control Pathways under the New Value-Added Tax (VAT) Policies”



● Seminar on “Legal Risks in ODM and OEM Models”



● “Brand Apparel Product Supply Chain in the Era of Intelligence” training course

Staff Training				
Year	2024		2025	
Region \ Training data	Total number of staff trained	Training hours completed	Total number of staff trained	Training hours completed
Hong Kong	50	409.0	51	471.0
Chinese mainland	363	7,677.5	347	12,574.6

The following tables show the percentage of staff completed training and the average training hours completed per staff by gender, position and employment type in 2024 and 2025.

Percentage of Staff Completed Training	Unit	2024		2025	
Percentage of Staff in Training (By Gender)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Female staff	%	62.0%	48.5%	62.7%	49.3%
Male staff	%	38.0%	51.5%	37.3%	50.7%
Percentage of Staff in Training (By Position)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Executive Grade	%	44.0%	5.5%	41.2%	5.5%
Manager Grade	%	14.0%	23.4%	15.7%	23.0%
Front-line Sales Staff	%	32.0%	Not applicable	33.3%	Not applicable
Officer/Clerical Grade	%	10.0%	71.1%	9.8%	71.5%
Percentage of Staff in Training (By Employment Type)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Full time staff	%	84.0%	100.0%	82.4%	100.0%
Part time staff	%	16.0%	Not applicable	17.6%	Not applicable

Average Training Hours Completed (Per Staff)	Unit	2024		2025	
Average Training Hours Completed (By Gender)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Female staff	Hour	8.4	24.7	9.5	39.4
Male staff	Hour	7.8	17.8	8.7	33.1
Average Training Hours Completed (By Position)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Executive Grade	Hour	9.8	9.9	11.4	21.4
Manager Grade	Hour	16.1	19.0	14.4	36.9
Front-line Sales Staff	Hour	4.1	Not applicable	4.2	Not applicable
Officer/Clerical Grade	Hour	3.0	22.7	9.3	37.2
Average Training Hours Completed (By Employment type)					
Region		Hong Kong	Chinese mainland	Hong Kong	Chinese mainland
Full time staff	Hour	9.0	21.2	10.3	36.24
Part time staff	Hour	3.6	Not applicable	4.5	Not applicable

Management Culture and Communication

The Group has several communication channels to facilitate exchange.

Management Review Meeting: The Group had Management Review Committee under which focus groups were set up for all member companies. Every two months, a management review meeting was held at which staff participated in discussions and voiced their views, shared management insights and better understood the Group's corporate culture and management approach. This provided a framework for two-way communication from the junior level all the way to top management.

Managers' Committee in the Chinese mainland Headquarters: The "managers' committee" aimed to nurture future management personnel for the Group. The committee comprised several functional sub-units for event organisation, research and exchange, public relations, secretarial and financial service. Regular activities including outreach programmes, seminars and talks were held to strengthen the cohesion of committee members and to broaden their horizon.

Newsletter: A monthly corporate newsletter was published and circulated to all staff and affiliated parties. Staff could get a full picture of the Group's development roadmap and work goals. This newsletter was an effective tool for communicating our corporate culture and building solidarity.

WeChat Social Media and Facebook Fan Page: Since WeChat and Facebook were the popular social network channels, the Group created the WeChat Official Account and Jeanswest Facebook fan page. Internal personnel and customers could get the updated information of the Group, Jeanswest promotions, corporate culture and charitable events of the Group.

Work and Life Balance

The management was pleased to lead and take part in all staff activities organised by the Group, such as annual year-end dinner gala and family fun fair. In the Chinese mainland Headquarters, the managers' committee organised a "Green Jogging" activity, during which staff picked up litter while jogging along the roads surrounding the headquarters campus, helping to beautify the environment and strengthen community cohesion. In addition, in the Chinese mainland Headquarters, staff were gathered to form badminton, table tennis, basketball and football teams, and participated in competitions with other companies to showcase the spirit of courage and perseverance.



● Family Fun Fair



● The Group's badminton team participated in friendly matches with teachers from Zhong Kai Middle School



● The Group's table tennis team achieved outstanding results in the table tennis competition



● The Group's football team participated in friendly matches with other corporate teams



● The Group's basketball team participated in friendly matches with other corporate teams

6. Supply Chain Management

Suppliers played an important role in an enterprise's business. The Group looked upon suppliers as business partners and strived to grow with them. Selecting and retaining good suppliers could assure quality and operating effectiveness. It also furthered the cause of sustainable development by sharing business and social risks.

Supplier Selection Practices and Procedures for Interior Decoration and Renovation Business

Changhong selected and appraised the suppliers based on the "Quality Management Systems – Requirements GB/T19001-2016", the "Environmental Management Systems – Requirements with guidance for use GB/T24001-2016", the "Occupational Health and Safety Management System – Requirements with guidance for use ISO45001:2018" and the "Code for Quality Management of Engineering Construction Enterprises – GB/T50430-2017" published by the Standardisation Administration of the People's Republic of China. Before confirmation of new suppliers, Changhong's purchasing department, engineering management department, quality assurance department and regional/business department would visit the supplier to have on-site research and verify the robustness of the supplier. Moreover, Changhong would appraise the product quality, pricing, service, reputation, enterprise management, equipment and facilities, quality assurance, products' environment protection level and risk assessment of the supplier, to ensure that the supplier could fulfill the design and construction requirements of the clients in aspects including quality, delivery rate, cost, environment protection, risk management and processing ability. Upon the approval of the qualification, the supplier had to provide the business licence, tax registration certification, certifications on standardisation management system, authorisation on product agency, etc. For the electrical appliance and chemical products, the supplier had to submit the certifications on 3C and environmental protection. Changhong would annually appraise the suppliers according to their cooperation status and daily operations. Qualified suppliers would remain on Changhong's authorised supplier list.

Number of Authorised Suppliers Involved in Interior Decoration and Renovation Business		
Region \ Year	2024	2025
Chinese mainland	363	473

Due to the addition of several new customers, Changhong needed to source new suppliers to meet customers' different requirements and procurement standards. In addition, some customers required materials of specified brands, and therefore the number of suppliers increased in 2025.

Practices Used to Promote Environmentally Preferable Products when Selecting Suppliers and how they were Monitored for Interior Decoration and Renovation Business

When selecting suppliers, Changhong would research into, verify and record the relevant information at the supplier management system to complete the approval process. The procurement officers would appraise the information provided by the suppliers as well as the product quality, its environmental performance and collect samples to inspect their compliance with environmental performance. Upon the confirmation with the suppliers, Changhong would inspect the environmental performance of the products as the key term of assessment. When signing contracts with suppliers, Changhong would request for testing report from the suppliers, perform random checking, conduct environmental performance test and would impose a penalty for breach of contract on suppliers who did not meet the requirement of environmental protection. Changhong would collect information on Dual Carbon Goal and the "Green Factories" list issued by national authorities, and seek cooperation with listed Green Factories that match Changhong's business. Changhong would also train staff on Dual Carbon Goal, making low-carbon environmental protection the primary goal from the stages of design inception to project implementation. Changhong will carry out inspections of the materials delivered to the site and rectify any problems in a timely manner.



- *Changhong provided construction service to Vivo Imaging Gallery at 1903 Shopping Mall in Kunming*

Practices Used to Identify Environmental and Social Risk along the Supply Chain and how they were Implemented and Monitored for Interior Decoration and Renovation Business

Changhong adhered to the “Quality, Environment and Occupational Health and Safety” standard and Social Accountability System SA8000 to manage their major suppliers. Besides formulating contract terms to guard against environmental and social risks, Changhong used a “Supplier Inspection Form” and a “Supplier Commitment Agreement” to hold suppliers accountable for environmental protection, occupational health and social responsibility. Changhong also monitored and urged the suppliers to rectify hidden dangers. Second-tier suppliers were also held accountable for environmental protection and social responsibility by Changhong. Suppliers who failed in the above monitoring measures would be disqualified. Changhong’s procurement officers conducted tracking inspections or spot checks on the use of raw materials, processing techniques, etc, during the product processing stage. The project department inspected and tested the received products, and in the case of any non-conforming products, they will be handled according to the “Non-Conforming Product Control Procedure”. In addition, procurement audits would be conducted to inspect the environmental performance of supplier factories and project materials on-site, strictly monitoring the use of environmentally friendly materials.

Supplier Selection Practices and Procedures for Apparel Export Business

To ensure that procured merchandise would be delivered on time and meet quality requirements, apparel export company of the Group, Pacific Potential Trading, laid down supplier assessment procedures and qualifying criteria. Goods and services were procured only from authorised suppliers with verified qualification. The assessment covered five aspects, namely, environmental hygiene, quality control, technical control, safety and health, cooperativeness and others (included social responsibilities). Even if they passed the selection assessment, they were required to take remedial and precautionary measures recommended in the written assessment report within the specified period, otherwise the Group reserved the right to exclude them from the list of authorised suppliers. Regular re-assessment was required for all authorised suppliers.

Number of Authorised Suppliers Involved in Apparel Export Business		
Year	2024	2025
Region		
Chinese mainland	132	100
Other Regions	5	1
Total	137	101

The number of authorised suppliers of the Group decreased in 2025, which was mainly because the clients of Pacific Potential Trading had been focusing on developing online joint-venture operations, and some suppliers changed into joint venture suppliers.

Practices Used to Promote Environmentally Preferable Products when Selecting Suppliers and how they were Monitored for Apparel Export Business

Pacific Potential Trading used environmental friendly products as much as possible and requested suppliers to provide relevant certificates, test reports or tracing of origin for the environmental friendly products. Pacific Potential Trading also requested suppliers to display an environmental friendly label on the apparel products if necessary. The fabric factories employed by Pacific Potential Trading have pollution discharge permits and use environmentally friendly dyes.

Practices Used to Identify Environmental and Social Risk along the Supply Chain and how they were Implemented and Monitored for Apparel Export Business

Pacific Potential Trading chose its suppliers according to the requirements of the customers, such as the customers' requirement of social accountability certification or third-party certification. In general, Pacific Potential Trading adhered to Social Accountability System SA8000, commonly adopted by the apparel industry, to appraise suppliers, and also took into account the regulations from the local governments. All suppliers in the supply chain must be evaluated and approved by Pacific Potential Trading's quality assurance department before being selected.

Appreciating that social responsibility and sustainability would hand in hand, the Group carried out social responsibility assessment on its suppliers. Our goal was to communicate with suppliers the importance of corporate social responsibility and to promote a responsible culture.

Assessment areas include:

- Management system
- Employment contract
- Child labour and minor workers
- Forced or mandatory labour
- Working hours
- Wages and benefits
- Trade unions and collective bargaining rights
- Discrimination
- Harassment and abuse
- Occupational health and safety
- Environmental protection
- Fair competition (including corruption, bribery and other dishonesty activities)

Number of Factories Having Completed Social Responsibility Assessment			
Region	Year	2024	2025
	Chinese mainland		9
Other Regions		0	0
Percentage of total suppliers		6.6%	3%



● The Group carried out social responsibility assessment on suppliers

Factory Inspection Exemption System

With a view to motivate and facilitate factories in their endeavours to enhance quality and internal control, the Group has been implementing a factory inspection exemption system since 2009. To be eligible for exemption, suppliers had to meet the following requirements:

- The first production order of the factory needs to go through procedures of the Group's Tier-2 quality control goods inspection system*;
- Valid ISO9001 Quality Management System certification;
- Meeting 100% passing rate in the Group's one-off goods inspection requirement; and
- Meeting 100% order delivery punctuality requirement.

* Tier-2 quality control goods inspection system's standard is higher than the market norm.

Since this system was put in place, both the goods quality and quality assurance awareness of exempt factories improved.

Number of Exempt Factories		
Region \ Year	2024	2025
Chinese mainland	27	8
Other Regions	1	1
Percentage of total suppliers	20.4%	8.9%

In 2025, as the number of small factories and factories producing ready-made products of Pacific Potential Trading increased, the number of exempt factories decreased.

Supplier Selection Practices and Procedures for Retail Business in Hong Kong (Jeanswest)

To guarantee the brand image and product quality, Jeanswest appraised the suppliers according to different parameters, such as product quality and design, on-time delivery rate, pricing and service quality before procurement. Jeanswest also inspected suppliers' equipment and environment, relevant licences and business registration, to obtain more information about the suppliers.

In the initial stage, Jeanswest assessed the quality control, production procedure, attitude of the suppliers before entering into long-term cooperation with them. In each incident of cooperation, Jeanswest and the supplier would conclude a purchase agreement with the agreed quotation and design, including product specification, requirements and transaction terms to protect the interest of both parties. After order and agreement confirmation, Jeanswest would follow up on the pre-production samples and production progress to make sure all materials used comply with the requirements. Upon the completion of the products, shipment samples were required in order to ensure products meet safety standards, and did not involve unlawful or excessive pollution in the process.

7. Product Responsibility

The Group's products conformed to statutory standards and requirements as well as other applicable industry benchmarks. The Group had internal quality accreditation procedures to safeguard health and safety for product use. Complementing this, we exercised due care in processing information on all products, including promotion and publicity materials, specifications and use instructions, so that consumers were guided by correct product information. The Group also had necessary measures in place to ensure that intellectual property was protected and personal data were kept confidential pursuant to local government regulations.

Quality Verification Process of Interior Decoration and Renovation Business Implemented by Changhong

1. The positioning of the project was self-verified according to the design documents and positioning checklist.
2. The materials of the project were verified according to the design documents, material checklist and standards.
3. The concealed works of the project were self-verified according to the design documents and verification standards.
4. The project was broken down into top-down procedures which were to be verified by the project department.
5. The project team had an overall self-verification before completion.
6. Upon passing the self-verification, the project was submitted to the project management centre of the headquarters for internal verification. The quality inspectors would base on the "Internal Verification Management System" to have on-site verification. The project details, materials, quality would be verified according to the national standard and the company's checklist. Problems found would be listed in a report. The problems had to be fixed and the project would be re-verified and approved with an internal written report.



● Changhong offered construction service to HONOR shop in Wanda Mall, Dongying West City

Recall Procedure of Interior Decoration and Renovation Business and Percentage of Recall Due to Safety and Health Reasons

Since recall procedure was not applicable to the interior decoration and renovation business, no recall percentage was recorded.

Procedures for Handling Service-related Complaints for Interior Decoration and Renovation Business

Upon receiving complaints from the customers, Changhong reviewed the problems and devised solutions according to different aspects of the complaints to meet the requirements of the customers. Furthermore, an annual management review meeting was held by Changhong to review the projects in the past year and to formulate the company plan for the coming year.

In 2025, Changhong did not receive any case of complaint from customers (2024: 0 case).

Quality Accreditation Process of Apparel Export Business

Pursuant to contract provisions, on-site interim production inspections and finished goods inspections were carried out by inspectors from the procurement agency at the supplier's premises. If any defect was found during the interim production inspections, the supplier would have to follow up and improve the products. When 80% of products were packed, the finished goods inspections would be carried out by the procurement agency. Before shipping the finished goods to delivery points, the supplier had to pass the finished goods inspections and to produce a compliance test report issued by a state-authorised test and certification body. If necessary, the procurement agency would take samples for inspection by a state-authorised test and certification body to ensure that all goods conformed with standards and requirements for domestic sales stipulated in relevant laws and regulations, as well as quality standards of the Group.

Upon arrival at the warehouses in different sales regions, goods were randomly checked by warehouse staff. Full conformity was required for goods to be released for retail.

Recall Procedure of Apparel Export Business and Percentage of Recall Due to Safety and Health Reasons

For apparel export business, returned products accounted for 0.23% of total procurement in 2025 (2024: 0.20%). In addition, there were no product recalls due to safety or health issues for apparel export business in 2025.

Procedures for Handling Service-related Complaints for Apparel Export Business

Upon receiving complaints from customers, Pacific Potential Trading would review the problems and devise solutions according to different customers. Pacific Potential Trading would discuss with customers and negotiate with the factories based on the problem. The recall procedure would be executed upon the approval from all three parties.

Intellectual Property Protection

All suppliers of the Group had to undertake to protect clients' intellectual property and strictly observe the following conditions:

- No trademarks identical or similar to clients' registered trademarks might be used on any other products;
- Forging, altering or producing clients' trademarks without authorisation was strictly prohibited;
- No trademarks identical or similar to clients' registered trademarks might be used as names or decoration, patterns and other design features for products manufactured without our authorisation;
- No clients' products manufactured with our authorisation (including surplus products, defective products and returned products) might be sold to other parties; unless authorised by the Group, no clients' products might be marketed in China (including Hong Kong, Macao and Taiwan) and overseas;
- No patterns and designs related with clients' products might be used for designing and manufacturing other products; and
- All other activities that infringe the intellectual property and associated property rights of the clients were prohibited.

Quality Assurance of Jeanswest

Apparel products from Jeanswest were provided by Pacific Potential Trading, which was also responsible for the product quality assurance.

Recall Procedure and Procedures of Handling Complaints of Jeanswest

Customers were entitled to return any Jeanswest product bought at regular price at any Jeanswest store within 7 days from the date of purchase (the product should be unused, with price tag and original invoice intact) and change for other style or size. If customers were to request to refund or change of the product due to defective quality, the shop staff would assess if the defect was caused by the customers. The shop staff would take photo of the product and submit the refund/return request to the office. The shop would collect returned products quarterly and report to the factories for refund or exchange.

One case of customer complaint was received by Jeanswest in 2025 (2024: 3 cases). The complaint cases related to the zipper design of the product did not meet expectations. No products were recalled due to the safety and health reasons.



- *Jeanswest provided high quality apparel products at affordable prices*

Consumer Data Protection

Jeanswest only collected customers' surname, title and phone number. The related personal information was used only for general transaction purpose and would be destroyed after the transaction. Jeanswest did not use customers' personal information for other purposes without customers' permission.

8. Anti-corruption

Corruption Prevention Measures

The Group strictly forbade any acts of corruption and bribery. All new employees were issued with the staff handbook and enrolled in our induction course. The staff handbook contained a clear code of rules prohibiting the acceptance of benefits, while the induction course stressed strict compliance with the Group's corruption prevention policy.

Our corruption prevention policy stipulated that staff members should not solicit or accept personal benefits from any parties involved in business transactions with the Group. To avoid any material or potential conflicts of interest, employees were required to report to administrative officers of their branches/direct divisions when business relationships arose between business transaction parties and themselves. Such relationships would be put on record. To ensure that employees could conduct business professionally in a law-abiding manner, the Group also issued guidelines in the run-up to major festivals to remind employees that under no circumstances should they accept gifts.

The reporting system is reviewed every two years and amended when necessary to ensure adequacy and timeliness of the system. The Group established the "Employee Anti-Corruption and Anti-Bribery Policy" and the whistleblowing procedures. Any employee who violates the policy will be subjected to disciplinary action, and serious offenders may be terminated from employment. If the suspected violation involves corruption or other criminal offenses, the Group will report it to the Independent Commission Against Corruption (ICAC) or other relevant authorities.

In 2025, "ICAC-Corruption Prevention Seminar" was held online by the Group. The Board members, senior management, different grades of staff, Hong Kong staff members stationed in the Chinese mainland Headquarters and front-end sales staff were invited to join the seminar. The seminar outlined the Prevention of Bribery Ordinance, common corruption risks and fraud practices in business corporations. Such content on anti-corruption and anti-fraud was also introduced in the seminars held in the Chinese mainland Headquarters, to help staff understand the seriousness of corruption and fraud, and the impact on society and the corporations.

During the reporting period, there was no prosecution against the Group or its staff for corruptive activities.



- Online "ICAC-Corruption Prevention Seminar" was held by the Group for the staff stationed in Hong Kong and the Chinese mainland Headquarters to learn updated anti-corruption information

9. Community Investment

The principal shareholders of the Group always placed high value on corporate social responsibility. Guided by philosopher Mencius' famous saying, "In adversity persist with strength; in times of fortune prosper with generosity", we were committed to repaying the society.

When contributing to the wellbeing of our community, the principal shareholders of the Group employed the same vision and innovative spirit that steered its business. Besides lending a hand to those troubled by pressing needs, we had a more far-reaching goal of pursuing long-term social effectiveness. Over the years, the principal shareholders of the Group made contributions to society through active engagement in social welfare undertakings, such as disaster relief, assistance to impoverished region, funding new schools and promoting Chinese culture. Key members of our management held multiple public offices to serve the community. Meanwhile, our management members visited the high schools in Chinese mainland and Hong Kong, sharing their corporate management experiences with the youth.



● Dr. Charles Yeung, Chairman of the Group, delivered a lecture on "Chinese Zen" at the University of Hong Kong



● Mr. Yeung Chun Fan, Vice-chairman and General Manager of the Group, shared corporate management experience to EMBA students in the Chinese University of Hong Kong

Be it funding new schools in impoverished regions, providing financial aid to university students or training new talents for the apparel industry, the principal shareholders of the Group stayed focused on long-term benefits for the community at large. By helping the beneficiaries help themselves, we empowered them with better learning and development opportunities so they could contribute to society in the future.

The following is an overview of the contributions towards community welfare over the years from the principal shareholders of the Group.

Funding New School Projects to Further Education

The principal shareholders of the Group actively promoted education in Hong Kong and Chinese mainland, cultivating talent for the country. They also supported the education development in their hometown, Huizhou, expanding the college-industry collaboration, and established comprehensive cooperation with the Guangdong Institute of Fashion, Huizhou University. Over the years, substantial advancements had been achieved by nurturing professionals for the apparel industry.

Local Community Involvement by Setting up Volunteering teams

The Group set up volunteering teams in Hong Kong and Chinese mainland respectively. Employees were encouraged to join these teams to play an active part in local community activities and to help the needy and underprivileged.

The volunteering team collaborated with welfare organisations to strengthen support for disadvantaged groups in Hong Kong. The volunteering team provided food to the low-income family to relieve their life stress and burden and helped to improve their health.

In Hong Kong, the Group was commended by the Hong Kong Council of Social Service with the Caring Company logo for fifteen consecutive years.



● The Group's Hong Kong Volunteer Team visited a the elderly at residential care home during the Mid-Autumn Festival



● The Group's Huizhou Volunteer Team visited students at Tagong Muyaduo Raowu Gama School in Sichuan



● The Group's Huizhou Volunteer Team supported a public welfare project providing medical assistance to hearing-impaired children and patients with ear conditions in Huizhou



● The Group's Hong Kong Volunteer Team brought warmth and care to the elderly



● The Group's Hong Kong Volunteer Team organised blood donation activity

10. Recognitions and Professional Certifications

Led by our management, the Group embraced a bold spirit of innovation to drive business growth and fulfill sustainability. Our dedicated efforts earned wide recognition from the public and industry.

Major awards of the Group during the past 5 years are as follows:

- In 2022, Mr. Yeung Chun Fan, Vice-chairman and General Manager of GSE, was awarded “China Philanthropist in 2022” by the China Charity Ranking.
- In 2022, Changhong was awarded “5A Grade Integrity Enterprise in Construction Engineering Tendering and Bidding in Hebei in 2021” by Construction Engineering Tendering and Bidding Association of Hebei.
- In 2023, Changhong was awarded “Industry Development Contribution Award in 2021–2022” by Shenzhen Retail Business Industry Association, Shenzhen Chain Operation Association and Shenzhen Smart Retail Association.
- In 2023, Hebei Development and Reform Commission and Hebei Provincial Association of Enterprises jointly announced “Top 100 Service Enterprises and Top 50 Innovation Leaders in Hebei Province in 2022” and Changhong was named “Top 100 Service Enterprises in Hebei Province in 2022”.
- In 2023, Changhong was accredited “2021–2022 AAA Grade Credit Rating in Shijiazhuang Construction Industry” by Shijiazhuang Construction Association.
- In 2023, Changhong was awarded “Business Quality Award in 2023” by China Chamber of Commerce. The award was approved by the State Council of the People’s Republic of China and established by China Chamber of Commerce.
- In 2023, the Group was awarded “The 10th Outstanding Corporate Social Responsibility Award” by Hong Kong Mirror Post.
- In 2024, Changhong was awarded “5A Grade Integrity Enterprise in Construction Engineering Tendering and Bidding in Hebei in 2023” by Construction Engineering Tendering and Bidding Association of Hebei.
- In 2025, GSE was commended by the Hong Kong Council of Social Service with the Caring Company logo for the fifteenth year, in recognition of the Group’s many years of contributions to community care, employee welfare and environmental protection.
- In 2025, GSE was awarded “Good MPF Employer 5 Years+” by the Mandatory Provident Fund Schemes Authority. This award endorses GSE as a “Good MPF Employer” for nine consecutive years, since 2017.
- In 2025, Changhong was awarded “AAA Grade Credit Rating Enterprise” by the China Building Decoration Association for the tenth consecutive years (2015–2024).
- In 2025, Changhong was awarded “2023–2024 Shijiazhuang Construction Industry AAA Grade Credit Rating Enterprise” by the Shijiazhuang Construction Association.

Professional Certifications of GSE and its Subsidiaries

Company	Certificate
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Enterprise Intellectual Property Compliance Management System (GB/T 29490-2023)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Social Accountability System (SA8000:2014)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Environmental Management System (ISO14001:2015)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Quality Management System (ISO9001:2015) and Code for Quality Management of Engineering Construction Enterprise (GB/T50430-2017)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	China Environmental Labelling (HJ 2547-2016)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Occupational Health and Safety Management System (ISO45001:2018)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	China Ecolabelling (CQC5109-2018)
Shijiazhuang Changhong Building Decoration Engineering Company Limited	Energy Management Systems (GB/T 23331-2020/ISO 50001:2018)
Pacific Potential Trading Company Limited	Quality Management System (ISO9001:2015)

11. ESG Content Index

Aspect	Key Performance Indicators (KPI)		Page
A. Environmental			
A1 Emissions	A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P.14
	A1.1	The types of emissions and respective emissions data.	P.14–15
	A1.2	[Deleted.]	Not applicable
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P.14–15
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	A1.5	Description of emission target(s) set and steps taken to achieve them.	P.14–15, 18
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P.14–15
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	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P.15–17
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P.16
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P.15–16
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	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P.18
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Aspect	Key Performance Indicators (KPI)		Page
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	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P.21–22
B3 Development and Training	B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P.23–25
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P.26
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B4 Labour Standards	B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.21
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	P.21
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Aspect	Key Performance Indicators (KPI)		Page
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	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P.29–32
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P.30–31
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P.29, 31
B6 Product Responsibility	B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P.33
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P.33–35
	B6.2	Number of products and service related complaints received and how they are dealt with.	P.34–35
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P.34
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B7 Anti-corruption	B7	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P.36
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P.36
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Aspect	Key Performance Indicators (KPI)		Page
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20.	The information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	P.5-6
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22.	The information that enables an understanding of the effects of climate-related risks and opportunities on the issuer's strategy and decision-making.	P.6
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Paragraph	Description	Page
24.	a) The qualitative and quantitative information about how climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows for the reporting period.	P.7
	b) The qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
25.	The disclosure that expects the issuer's financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	P.7
26.	a) The information about assessment of the issuer's climate resilience as at the reporting date after taking into consideration of identified climate-related risks and opportunities.	P.7-8
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36.	Information about industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	P.13
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* This table is extracted from Appendix C2 of the Stock Exchange's ESG Code and is for reference only. For complete information, please refer to the original document.